NOTIFICATION.

No. R. 13899—S. R., dated 19th June 1920.

RULES UNDER THE MYSORE INCOME-TAX REGULATION, 1920.

In exercise of the powers vested in them under section 43, sub-section (1) of Regulation of 1920, the Government of His Highness the Maharaja are pleased to sanction the following rules for carrying out the purposes of the aforesaid Regulation.

Section 8 (2) (i) Certificate required for exemption of interest on securities.

1. Any claim under section 3, sub-section (2) clause (1) of the Regulation to exemption from the levy of the tax of the interest on securities held under trust or other legal obligation for religious or charitable purposes within the meaning of that clause and applied to those purposes must be supported by a certificate from the Deputy Commissioner of the District which shall be in Form A hereto appended.

Section 6 (i) Agreements with private employers.

2. In calling for returns of employees from private employers under section 28, sub-section (1) of the Regulation, the Collector may issue notices inviting them to state when submitting the return whether they are willing to enter into an agreement under section 6 (1) to collect the tax due from the persons included in the return and to forward the amount to the Collector on the conditions prescribed in rule 3 below. The person making the return may subscribe on the return his assent to this arrangement.

3. The agreement entered into between a Collector and a private employer under section 6, sub-section (1) of the Act, shall be subject to the following conditions:—

(*a*) The employer shall for the trouble of collection be allowed a remuneration which shall be fixed by the Commissioner of Income-Tax in Mysore with reference to the circumstances of each case but shall not exceed in any case 5 per cent of the collection.

(*b*) The tax due to Government shall be deducted by the private employer from any income chargeable under the head "salaries" as each payment is made and the amount deducted minus such commission for the trouble of collection as may be agreed upon shall be remitted, within a week, to the Collector or other officer authorized by him to receive it together with a statement showing the names of the persons from whom the tax has been collected and the further particulars prescribed in rule 8 below.

Section 8 (vi) Collection charges for income from house property.

4. The allowance in respect of house property income on account of collection charges under section 8, sub-section (vi) of the Regulation is limited to 6 per cent of the gross rental of the house property.

Section 12 (2) Claims to exemption of payments to insurance companies, provident funds, etc.

5. No claim to exemption preferred under section 12 (2) of the Regulation on the portion of the income-taxable under the head "salaries", which is paid as a premium to an insurance company or in respect of a contract for a deferred annuity or as a contribution to a provident fund shall be entertained if the claim is made after the expiration of the financial year following that in which the premium was paid.

NOTE.—In this rule and in rule 7 "Insurance Company" includes the State Life Insurance Fund, both official and public branches.

6. When a deduction is made from any income liable to assessment on account of a payment made to an insurance company or in respect of a contract for a deferred annuity or as a subscription to a provident fund the sum deducted shall, if the payment has been made in sterling, be the actual cost of remittance; and if the assessee is unable to prove such actual cost, the equivalent in rupees of the amount of the premium calculated at the official rate of exchange prevailing at the time the abatement or income-tax is claimed.

7. A deduction such as is mentioned in the preceding rule must be supported either:—

(1) by the original receipt of the insurance company or provident fund; or

(2) (in the case of a deduction claimed by a servant of the Government or of a local authority) by a copy of the same presented together with the original to the officer who pays the salaries and attested by that officer who should after such attestation return the original; or

(3) by a duplicate receipt given by the insurance company or provident fund; or

(4) by a certificate of payment given by the insurance company or provident fund; or

(5) in the case of exemption claimed by a servant of the Government or of a local authority in respect of such payments in excess of those exempted under section 6 (1) by a certificate of the officer who disburses the salary of the claimant.

In cases (1), (3) and (4) the receipt or certificate will be returned as soon as the fact of the payment is admitted in due course of audit.

Where the Collector is satisfied that none of the above prescribed documents can be produced without an amount of delay, expense or inconvenience which under the circumstances of the case would be unreasonable, he may accept such other proof of payment of the premium as he may deem sufficient.

Section 15 (2) Remittance of tax collected on "salaries".

8. The amounts deducted on account of the tax from income chargeable under the head "salaries" under section 15, sub-section (2) of the Regulation, shall be paid to the credit of the Government within one week from the date of payment of such "salaries". The payment to the credit of the Government shall be made by remitting the amount to the Collector (or other officer authorised by him) with a statement giving the following particulars for each person from whom the tax has been realized:—

(1) Name.

(2) The period for which the salary has been paid.

(3) The amount of the salary paid.

(4) The amount of tax collected.

(5) The amount of commission, if any, deducted.

(6) The balance remitted to the Collector.

Section 15 (3) Remittance of tax collected on securities.

8A. The amount deducted on account of the tax under section 15, sub-section (1) of the Regulation from the interest payable on debentures or other securities for money issued by, or on behalf of, a local authority or company shall be paid to the credit of the Government within one week from the date on which the payment of the interest is made. The person responsible for paying the interest shall pay the amount deducted therefrom to the credit of the Government by remitting the amount to the Collector or other officer authorised by him with a statement showing the following particulars:—

(1) Name of owner.

(2) Description of security.

(3) Number of security.

(4) Date of security.

(5) Amount of security.

(6) Period for which interest is drawn.

(7) Amount of interest.

(8) Amount of tax.

9. The return of employees required by section 16 of the Regulation shall be in Form B appended hereto.

The returns relating to Government Offices required by section 16 of the Regulation shall be furnished by the undermentioned officers:—

(1) The Comptroller for all Gazetted Officers (including in this term) Amildars Munsiffs and others who draw their pay on separate bills whose bills are pre-audited.

(2) Treasury Officers for all Gazetted Officers and others who draw their pay from treasuries on separate bills and also for all pensioners and gratuitants who draw their pensions and gratuities from treasuries.

NOTE.—The term "treasuries" and "Treasury Officers" include "Taluk treasuries" and "Taluk Treasury Officers".

(3) Heads of offices and schools, colleges and other Government institutions for all non-gazetted officers whose pay is drawn on establishment bills.

(4) Disbursing officers in the Survey Department and in the Industries and Commerce Department in respect of the establishments under them, the salaries of which are paid by cheques.

(5) The Auditor, Mysore Railways, for all railway employees under his audit.

(6) In the case of assessees not covered by the above such person as the Collector may call upon to make the return.

The return should contain complete information as to the total salary drawn by an officer during the whole year. If, therefore, an officer has been transferred from another district,

the Treasury Officer by whom the officer happens to be paid at the time of issue of th return, should ascertain from the other Treasury Officers concerned the total salary draw from the beginning of the year to the date of transfer and include it in his return.

10. The names of all persons in receipt of salaries of not less than Rs. 1,440 p annum shall be included in the return furnished under section 16.

11. The return of income to be furnished by companies under section 17 (1) of th Regulation shall be in Form 'C' hereto appended and the statements contained in the retur shall be verified in the manner indicated at the foot of the form.

12. The return of income to be called for from assesses other than companies und section 17 (2) of the Regulation shall be in Form 'D' hereto appended and the statemen contained in the return shall be verified in the manner indicated at the foot of the form.

13. When returns of income prepared by approved, chartered, incorporated or certifi accountants are filed by assessees, separate scrutiny of the assessees' books will be dispens with, unless there are special reasons which in the Collector's opinion render such scruti desirable.

14. Members of the undermentioned institutions are approved for income-t purposes:—

(1) The Institute of Chartered Accountants of England and Wales.

(2) The Society of Incorporated Accountants and Auditors.

(3) The Society of Accountants in Edinburgh.

(4) The Institute of Accountants and Actuaries in Glasgow.

(5) The Society of Accountants in Aberdeen.

(6) The Institute of Chartered Accountants in Ireland.

15. (*a*) Accountants who are certified under the Mysore Companies Regulation a who wish to be approved for income-tax purposes should apply to the chief revenue authori Their applications will be considered by a Committee consisting of:—

(1) The Commissioner of Income-tax in Mysore.

(2) The Registrar of Joint Stock Companies.

(3) The Chairman, Mysore Chamber of Commerce.

The decisions of the Committee will be final.

(*b*) Approval of an accountant under this rule or rule 14 is liable to revocation in a case by a vote of the committee referred to above.

16. Accountants approved for income-tax purposes shall be bound to certify complian with the income-tax law and rules and to give in their certificates such particulars as Commissioner of Income-tax in Mysore may require.

NOTE.—The particulars prescribed under this rule will be found in Appendix L

17. The notices to be served on assessees under section 18, sub-section (2) of the Re lation shall be in Form 'E.'

18. The notice of assessment or adjustment to be served on persons assessed un section 20 of the Regulation shall be in Form 'F.'

The amount assessed under this Regulation may be paid in two equal instalments, first on the expiry of sixty days from the date of service of the assessment or adjustm notice, the second on the expiry of sixty days from the date on which the first instalm became due. If, however, a petition against the assessment or adjustment has been admit the Collector may, in his discretion, treat the assessee as not being in default in respect of payment of the tax till the orders on the petition have been passed. In case of default in payment of the first instalment, the whole amount of the assessment or balance due adjustment shall become immediately recoverable.

19. Petitions against assessments or adjustments under section 21, sub-section (1) the Regulation shall be drawn up after the model of, and shall contain the information p vided for, in Form G and shall be verified in the manner required by law for the verifica of plaints. A petition which does not contain a clear statement of the amount on which petitioner claims to be assessed or to have his assessment adjusted or is not verified shall liable to summary rejection. The notice of assessment or adjustment served under sec 20 of the Regulation and a copy of the Collector's order under section 18 (3) or section 1 the Regulation should accompany the petition.

20. The Collector or the Commissioner shall notify to the assessee the purport of order passed by him under section 22, 23, 24 or 25 of the Regulation.

20A. (1) A party who desires the attendance of any witness in a proceeding befo Collector or Commissioner under the Income-tax Regulation, 1920, or before a Commissi

ss and mentioning whether he is required to give evidence or to produce any document in the latter case, specifying the date, if any, and description of the document so as to ify it :—

..rial mber	Full name	Residence	Occupation or other description	Purpose for which summoned	Allowance	Service fees	Remarks
					Total ..		

A detailed memorandum of the amount to be deposited in the office is presented herewith. s requested that summonses may be issued as above.

(Signed.)

(2) He shall with such list deposit in the office of the Collector or the Commissioner he prescribed fees for service of summons according to the following scale :—

For each summons or notice.

Nature of process.	Amount leviable
(*a*) to a single witness	... 8 annas.
(*b*) to every additional witness residing in the same village if the processes be applied for at the same time	... 4 ,,

NOTE.—(1) Any party may deposit the cost of proceeding by railway or any public conance where such is available and in such case the process server shall be bound to proceed such railway or public conveyance, and the cost so deposited shall be part of the costs of cause.

(2) For processes applied for and ordered to be executed as emergent the fee will be ordinary fee and half as much again, and

the total amount of the allowances to which the said persons are entitled for travelling other expenses according to the following scale :—

Class	Travelling allowance			Allowance for subsistence and other expenses not exceeding per diem
	By rail	By road	By sea or canal	
				Rs. a. p.
st class ...	First class fare	As. 8 per mile	Actual expenses of passage	3 0 0
ond class ...	Second class fare	,, 4 ,,	Do	1 0 0
rd class ...	Third class fare	,, 2 ,,	Do	0 8 0

(3) The expenses of witnesses summoned by the assessing officer at his own instance l be bone by Government.

21. The notice to an employer calling for a return of employees under section 28, subtion (1) of the Regulation shall be in Form H. The return shall be in Form B. The mes of all persons in receipt of salaries of not less than Rs. 1,440 per annum shall be included this return.

22. The following procedure shall be observed in the levy of penalties under section 36 for default to pay income-tax on the due date :—

(*a*) In case of failure to pay any instalment, a notice in Form I shall be issued to assessee imposing a penalty of one per cent of the tax due and warning the assessee that the whole amount due is not paid within 20 days a second penalty ten times the amount the first will be imposed.

(*b*) In any case in which persistent default is made the assessing officer will call upon assessee to show cause why there should not be imposed such penalty not exceeding the ount of tax as he may deem fit.

(*c*) The Deputy Commissioner of the District may annul or reduce any penalty im-

along with the application, file a return in Form D showing his total income in the previous year and a statement showing the amounts deducted from his income under the head of salaries. The Collector may make such inquiries as he may deem necessary as to the total income of the applicant and shall, if he is satisfied that the applicant is entitled to any refund, pay or authorize payment in cash of such sum as may be due.

24. The owner of any security of the Government of Mysore or a debenture or other security for money issued by or on behalf of a local authority or company claiming a refund under section 37 of the Regulation shall present to the Collector (*a*) an application in Form J declaring truly therein his total income in the previous year with the declaration below the form duly signed before the Collector or attested by a Justice of the Peace or a Magistrate and (*b*) a statement in Form K showing details of the securities held by him.

25. On receipt of the application and the statement, the Collector may, after making such inquiries as he may deem necessary as to the total income of the applicant, issue a certificate of refund in Form L if he is satisfied that the applicant is liable to tax at less than one anna in the rupee or not liable to the tax.

26. If a claim for refund is made within one year from the end of the year to which the claim relates, the person empowered to pay the interest in the case of securities of the Government of Mysore and the Collector in other cases shall, on production of the certificate of refund, pay or authorize payment in cash of such refund as may be due.

27. In the case of dividends paid out of the profits of a company or of the profits of a firm divided between the partners, the person claiming a refund shall present to the Collector an application in Form J duly signed or attested as in Rule 24 above and shall forward the counterpart of the dividend warrant, an extract of the registered deed of partnership, or other proof showing the number of shares he holds in the company, or the share he holds in the firm, and the total amount of the dividend or profits paid to him including the income-tax deducted therefrom. The Collector may make such inquiries as he may deem necessary as to the total income of the applicant and if he is satisfied that the applicant is entitled to any refund provided that the company or firm has paid the tax due on its profits, he shall pay or authorize payment in cash of such refund as may be due.

28. (*a*) No refund shall be admissible on dividends not paid out of the taxable profits of a company nor on fractions of a rupee.

(*b*) Refunds may be remitted by post at the cost of the applicants.

29. (*a*) A refund shall not be paid except at the place where the tax in respect of which the refund is claimed has been received.

(*b*) If the person claiming the refund is not a resident of the place where the tax has been received he may send the declaration in Form J accompanied by the statement in Form K or the dividend warrant or other proof referred to in Rule 27 to the Collector of the place where he resides or carries on his business and apply for a certificate in Form M for submission to the officer empowered to grant the refund and, on receipt of such certificate the officer shall proceed as laid down in the above rules.

30. When a declaration of income in Form J has been received, the Collector may issue a certificate in Form L or M at any time during the financial year in which such declaration has been received without insisting on a fresh declaration of income.

31. (*a*) Against the order of a Collector on an application for refund a petition shall lie to the Commissioner.

(*b*) The petition shall ordinarily be presented within thirty days of receipt of the order of the Collector; but the Commissioner may receive a petition after the expiration of that period if he is satisfied that the petitioner had sufficient cause for not presenting it within that period.

32. If the applicant for refund is himself the Collector competent to sanction the refund, the application for refund shall be made to the next higher authority.

32A. If an assessee is himself the Collector competent to make the assessment, or the Commissioner competent to pass orders on an objection petition against the assessment, the assessment shall be made and the objection petition shall be dealt with by the next higher authority.

33. (i) In the case of life assurance companies whose profits are periodically ascertained by actuarial calculations, the taxable income shall be determined with reference to the average net profits disclosed by the last preceding valuation.

Provided that any deductions made from the gross income in arriving at the actuarial valuation which are not admissible for the purpose of income-tax assessment shall be added to the net profits disclosed by the valuation.

This clause shall apply also to the determination of the taxable income derived from the annuity and capital redemption business of life assurance companies, the profits of which can be ascertained from the results of an actuarial valuation.

If the tax on the average net profits during the period covered by the last preceding valuation is less than the average of the tax deducted at the source from the interest income derived from investments in the same period, a refund of the amount by which such deduction from interest exceeds the tax payable on the average net profits should be allowed.

(ii) If there has been no periodical actuarial valuation or if the last valuation took place more than five years previous to the year in which the assessment falls to be made, the taxable income shall be determined with reference to the interest, dividends and rents received by the companies during the previous year.

(iii) In the case of insurance companies other than life assurance companies the taxable income in any year shall be the profits calculated for the year, subject to the provisions of the following clause.

(iv) Amounts actually credited by an insurance company, other than a life assurance company in the ordinary accounts of its business for the previous year to any fund established for the sole purpose of forming a reserve to meet outstanding or unexpired liabilities to policy-holders (including therein risk of exceptional losses) and amounts actually credited by an insurance company of any kind in the ordinary accounts of its business for the year of assessment to its investment reserve fund for the purpose of meeting depreciation in the value of its securities shall be treated as expenditure incurred solely for the purpose of earning the profits of the business in determining the taxable income of the insurance company in that year.

(v) The taxable income of companies carrying on dividing society or assessment business shall be taken at fifteen per cent of the premium income in the previous year. Where a non-resident company carries on dividing society or assessment business in Mysore the assessment shall be fifteen per cent of the premium income received in Mysore.

(vi) This rule shall apply only to the determination of taxable income from different classes of insurance business. The actual assessment of an insurance company carrying on more than one class of business shall, in accordance with the Regulation be determined as to its rate and amount by its aggregate taxable income from all the classes of business which it carries on.

33-A. (*a*) In any case in which the profits accruing or arising or deemed to accrue or arise in Mysore to any person residing out of Mysore whether directly or indirectly, through or from any business connection in Mysore cannot be accurately ascertained, the amount of such profits for assessment purposes may be calculated on such percentage of the turnover of the business carried on in Mysore as the Collector, having regard to all the circumstances of the case, may consider to be reasonable. This rule shall apply also to the determination of the income for assessment purposes of persons assessable to income-tax under section 33 (2) on account of their connection with persons non-resident in Mysore.

(*b*) In cases in which the method of assessment on a percentage of turnover is inapplicable—as for example the case of a Mysore branch of a foreign insurance company—the profits of the Mysore branch may be assumed for income-tax purposes to bear the same proportion to the total profits of the company as its receipts bear to the total receipts.

33-B. If amongst any persons engaged in any business, profession or vocation in partnership, together, any change shall take place in any such partnership either by death or dissolution of partnership as to all or any of the partners or by admitting any other partner therein before the time of making the assessment or within the year for which the assessment ought to be made under the Regulation, or if any person shall have succeeded to any business, profession or vocation within such periods as aforesaid, the tax payable in respect of such partnership, or any of such partners or any person succeeding to such business, profession or vocation shall be computed on the profits derived from such business, profession or vocation during the previous year in accordance with the provisions of the Regulation, notwithstanding such change therein or succession to such business, profession or vocation. The assessment so made will in all cases be subject to adjustment under the provisions of section 19 of the Regulation.

34. (i) Applications for composition in respect of the income on which the tax will be assessed shall be made in writing to the Collector before the 1st September and before the tax for the year is assessed by the Collector. But a Collector may receive an application after 31st August if he is satisfied that the applicant had sufficient cause for not presenting it within that date.

(ii) The party compounding should execute an agreement within one month from the date on which the amount of composition is notified to him. If he fails to execute the agreement within the above period, the Collector may proceed to assess him, as if no application for composition had been received.

(iii) Agreements for composition shall be in Form N or as near thereto as may be and shall be for a period of not more than five years. Compositions should not, however, be made as a matter of course for this period which is the maximum allowable, but the Collector should fix a suitable period in each case on a consideration of the circumstances. The

agreement shall be made in two parts one of such parts executed by the compounding party remaining with the Collector, and the other part signed by the Collector remaining with the compounding party.

(iv) No agreement for composition shall be made with companies or shall be entered into in respect of any income or portion of any income which is liable to taxation under the head of salaries or interest on securities.

(v) In order to arrive at the amount of the applicant's income for the period in respect of which the application is made, the Collector should institute inquiries as to the probability of a future increase or decrease in the applicant's income. The compounded income shall not be less than what is estimated as the average income for the period.

(vi) If the party who has compounded dies or becomes bankrupt or insolvent or, in the case of a firm, goes into liquidation or voluntarily closes his business before the expiration of the period comprised in the agreement, the agreement shall cease to have force on the 30th day of June next after such death, bankruptcy, insolvency or other proceeding, save and except as to any portion of the tax on the income compounded which before the said day shall have become payable and shall then be unpaid.

(vii) Fraud on the part of the party compounding in stating the income or otherwise shall render the agreement null and void.

35. Every receipt for money paid or recovered under section 45 of the Regulation shall be in Form O.

36. The powers of the Government to declare under section 47 of the Regulation which of several places of business shall be deemed to be the principal place of business for the purposes of the Regulation are hereby delegated to the Commissioner of Income-tax in Mysore.

37. An assessee who carries on business in several places is assessable to income-tax by the Collector in the district in which the principal place of business of the assessee is situate.

Ordinarily the principal place of business shall be understood to mean the place at which the persons directing any company or firm to their business, or the registered or head office where the general books and accounts for all branches are kept and compiled.

38. When a Collector learns that an assessee having his principal place of business in his district has a place of business in another district he shall communicate with the Collector in that latter district with a view to obtaining a complete account of the annual profits or income of the company, firm or person and the Collector in the latter district may make the inquiry provided for by section 18 of the Regulation. The Collector in the district in which the principal place of business is situated shall not require the production of accounts or documents relating to the branch business of the assessee in other districts. The final assessment, however, shall be made by him and he shall have full power to deal with the reports made by other Collectors, and to alter and amend their estimates in making his final assessment. Full reasons should, however, always be recorded when the estimate of the Collector in another district is not accepted.

39. In calculating the amount of tax payable the amount due on fractions of a rupee shall be neglected; and in the amount of tax calculated, fractions of a pie shall be neglected.

40. The commissioner of Income-tax in Mysore will be entrusted with the administrative working of the Regulation and he will issue such subsidiary instructions as may from time to time be required.

FORM A.

(RULE 1.)

I,....., Deputy Commissioner of.....

do hereby certify that the $\frac{\text{security}}{\text{securities}}$ specified below and standing in the name of $\frac{\text{is}}{\text{are}}$ held under $\frac{\text{trust}}{\text{legal obligation}}$ $\frac{\text{wholly}}{\text{partly}}$ for $\frac{\text{religious}}{\text{charitable}}$ purposes and that .....of the interest on the $\frac{\text{security}}{\text{securities}}$ is applied to those purposes or has been finally set apart for application thereto.

Dated Deputy Commissioner of

(1) Description of security
(2) Number
(3) Date
(4) Amount.

FORM B.

(RULE 9.)

Income-tax return made by the head of every Government office, the principal officer of every local authority, company, public body or association and every private employer who has agreed to recover income-tax on behalf of Government under section 16 of Regulation VII of 1920.

Name { (1) Government office, (2) Local authority, (3) Company, (4) Public body, (5) Association, or (6) Private employer

Name of employee, pensioner, annuitant or receiver of gratuity, commission, perquisites or profits	Designation	Residence	Date of employment, if new	Monthly rate of fixed salary or wages payable on date of return	Allowances, fees, commissions, perquisites or profits, in lieu of or in addition to fixed salary, bonus and gratuities paid during the twelve months ending 30th June	Yearly amount of pension or annuity payable	Total amount received during the year	Date or dates of payment of the amount in column (8)	Amounts exempted under section 6 (1) and excluded under section 12 (2)	Net amount taxable	Amount of income-tax deducted	Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13

I hereby certify that no persons employed in this—other than the persons noted in this return were receiving on the 30th day of June last or have received during the year ending on that date payments at the rate of Rs. 1,440 a year or more of the kinds described in column (5), (6) or (7) above.

(Signature)

NOTE—(1) If an employee has been or expects to be on leave out of Mysore between the 1st July last and 30th June next, notice should be given in the remarks column.

(2) If an employee has left your service since the submission of the last preceding return or if any changes are anticipated before the 30th June next, it is requested that a note regarding the same may be made at the back of this form, as this timely information will render much correspondence unnecessary.

(3) The year referred to in column (6) is the year immediately preceding the date of the return.

FORM C.

(RULE 11.)

NOTICE.

No.

OFFICE OF THE COLLECTOR OF INCOME-TAX,——

Dated.....*19*

To

In pursuance of the provisions of section 17 of the Mysore Income-tax Regulation, 1920, you are hereby required to prepare a true and correct statement of your income and to furnish the information required in the form herewith attached so far it is applicable to your case, and to deliver it at this office duly signed by you as the principal officer of the company on or before the 15th day of September 192.. with copies of the Balance Sheet and the Profit and Loss Account of the company,

Failure to furnish the return with the above accompaniments within the time allowed by law will, under section 21 (1) of the Regulation, entail forfeiture of the right of objection and under section 39, render you liable on conviction by a Magistrate to a fine which may extend to Rs. 10 for every day by which the return is late. The submission of a false or incorrect return will render you liable to penal assessments under section 24 or to prosecution under section 40 of the Regulation.

The income to be returned is the total income as shown by the accounts during either the twelve calendar months ending on the 30th June 19 or, if the accounts have been made up within the twelve calendar months ending on the 30th June 19 , in respect of a year ending on any other day than the 30th June 19 , then at your option the twelve calendar months ending on the day on which the accounts have so been made up. The period once decided upon cannot, however, be varied without the consent of the Collector of Income-tax.

You are further required under section 15 of the Regulation :—

(1) to deduct at the time of payment income-tax at the rate specified in Schedule I in respect of any income chargeable under the head "Salaries", provided that, if the payment is a recurring one and in respect of any period less than a year, the rate shall be determined with reference to the amount which would be proportionately payable in a year. The deductions so made should be paid into this office within one week from the date of payment of the salaries in question and particulars should be furnished of the persons from whose salaries the deductions have been made, and the amount of the salary and of the deductions in each case;

(2) to deduct at the time of payment at the maximum rate specified in Schedule I and pay into this office within one week from the time of payment, the income-tax on the amount of interest on the debentures (if any) issued by the company. The remittance to this office should be accompanied by a statement showing for each debenture holder :—

(1) Name
(2) Description of security
(3) Number of security
(4) Date of security
(5) Amount of security
(6) Period for which interest is drawn
(7) Amount of interest
(8) Amount of tax

Collector of Income-tax.

Income-tax Year 19 19

Name of the company.

Information from the accounts for the year ending

(The return should be sent under cover and marked confidential.)

	Amount Rs.
1. Profits as per accounts submitted—	
a Salaries, wages, etc., and other receipts in lieu of or in addition to salary or wages paid by companies, other public bodies, and associations	...
b Interest on securities of the Government of India	...
c Interest on securities of the Government of Mysore	...
d Interest on debentures and other securities of a local authority or company	...
e Income derived from house property	...
f Income derived from business	...
g Income derived from other sources, such as	...
i Salaries not included in item (*a*)	...
ii Dividends from Joint Stock Companies registered in Mysore...	...
NOTE.—If the tax has been paid by the company the fact should be noted.	
iii Interest on mortgages, loans, fixed deposits, current accounts, club debentures, etc.	...
iv Income from sources outside Mysore which accrues or arises on Mysore including dividends, pensions and income from agricultural land not paying land revenue to the Mysore Government	...
v Ground-rent	...
NOTE.—Ground-rent includes all rent derived from land (1) not used for agricultural purposes or (2) not paying land revenue or any local rate to Government.	

	Amount Rs.
vi Profits from transactions whether in partnership with others or not which have not been accounted for elsewhere in this return	
vii All other incomes not specified above (*e.g.*) director's fees, survey fees, etc.	
2. Amount of interest credited to reserve and other funds and debited to the accounts	
3. Amount of the cost value of the buildings owned by the company at the beginning of the previous year	
4. Amount of the cost value of machinery and plant owned by the company at the beginning of the previous year ...	
5. Amount of depreciation on buildings actually debited to the accounts—	
a in the previous year	
b up to the previous year	
6. Amount of depreciation on machinery and plant actually debited to the accounts	
a in the previous year	
b up to the previous year	
7. Amount of income-tax and profession-tax debited to the accounts	
8. Amount of the debenture loans issued by the company ...	
9. Rate of interest on the debentures	
10. Total amount placed to any reserve fund or of the nature of capital expenditure debited to revenue account	

DECLARATION.

I..... declare that the information against each head in this return is correctly given as shown in the books of the company as also in the accounts which have been duly audited by the auditors of the company and which have been adopted by the shareholders of the company.

Signature.

Dated.....19 . Designation.

Details of the house property referred to in item (1) (*e*) of the return.

District, taluk and village	Particulars of property including name and number of street in which the property stands	Person in whose name the property stands in the municipal, village panchayet or revenue register	Annual letting value	Deductions claimed to be supported by the production of vouchers in each case
			Rs. a. p.	

Rs.

Allowances claimed—

1. Premia paid in the year ending on to insure the property against risk of damage or destruction. (Copies of receipts should be attached) ... ...
2. Interest paid by owner or a mortgage or charge on the property ...
3. Ground-rent paid by the owner on the property ... ...
4. Land revenue, local rates and municipal taxes paid by the owner on the property ... ...
5. Collection charges ... ...
6. Deductions claimed on account of vacancies ... ...

Dated.....192 . Signature.

FORM D.

(Rule 12:)

NOTICE.

Income-tax year 192 -192 .

No.

OFFICE OF THE COLLECTOR OF INCOME-TAX,

Dated.....192 :

To

In pursuance of the provisions of the Income-tax Regulation of 1920, you are hereby required to prepare a true and correct statement of your income in the form sent herewith so far as it is applicable to your case, and to deliver it at this office duly signed by you within 30 days from the date of this notice.

The accompanying notes, explanations and instructions have been drawn up in order to assist you in filling up the form.

If you desire further information on any point you should apply to the Collector of Income-tax.

Failure to furnish the return on the due date will under section 21 (1) entail forfeiture of the right of objection and under section 39 render you liable on conviction by a Magistrate to fine which may extend to Rs. 10 for every day by which the return is late. The submission of a false or incorrect return will render you liable to penal assessment under section 24 or to prosecution under section 40 of the Regulation.

The income to be returned is the total income during either (1) the twelve calendar months ending on the 30th June 192 or, (2) if the accounts have been made within the twelve calendar months ending on the 30th June 192 , in respect of a year ending on any other day than the 30th June 192 , then at your option the twelve calendar months ending on the date on which the accounts have so been made up. The period once decided upon cannot, however, be varied without the consent of the Collector of Income-tax.

You are also required, in accordance with section 28 of the Regulation, to furnish the Collector with a return:

(1) If you are a member of a firm, of the names of the partners of your firm with their addresses;

(2) If you are a member of an undivided Hindu family, of the names of the adult male members of the family with their addresses;

(3) If you are a trustee, guardian or agent, of the names of the persons for whom you are trustee, guardian or agent with their addresses.

If you claim exemption from or abatement or reduction of the rate of tax, your attention is particularly directed to No. 12 of the instructions which follow.

Collector of Income-tax.

INCOME-TAX YEAR 19 -19

Return of income for assessment under section 17 of the Mysore Income-tax Regulation, 1920.

(This return should be sent under cover and marked confidential.)

Total income.

Sources	Amount Rs. A. P.	Amount of tax deducted at source Rs. A. P.
Income received under the following heads during the year ending :—		
Salary, wages, annuity, pension, gratuity, fees, commission, perquisities, allowances and other receipts in lieu of or in addition to salary or wages received during the year ending :—		
(1) Paid by Government		
(2) Paid by local authorities		
(3) Paid by companies, other public bodies and associations		
(4) Paid by private employers under an agreement with the Collector		
Interest on securities :—		
(5) On securities of the Government of India		
(5)*a* On securities of the Government of Mysore		
(6) On debentures and other securities of a local authority or other company.		
(7) Income derived from house property		
(8) Income derived from business		
(9) Professional earnings		
Income derived from other sources		
(10) Salaries not included in items 1 to 4		
(11) Other sources, such as		
(*a*) Dividends from Joint Stock Companies registered in Mysore.		
(*b*) Interest on mortgages, loans, fixed deposits, current accounts, club debentures, etc.		
(*c*) Income from sources outside Mysore which accrues or arises in Mysore including dividends, pensions and income from agricultural land not paying land revenue to the Mysore Government.		
(*d*) Share in joint family income		
(*e*) Ground-rent		
(*f*) Profits from transactions whether in partnership, with others or not which have not been accounted for elsewhere in this return		
(*g*) All other income not specified above, *e.g.* director's fees, survey fees, etc.		
Total income from all sources		
Deduct—		
(1) Life Insurance premia paid during the year on the life of the assessee or his wife.		
(2) Provident Fund subscriptions (see Instruction 13).		
(3) Amount of income taxed at the source		
Net taxable income		

NOTE.—If the tax has been paid by the Company the fact should be noted.

NOTE.—Ground-rent includes all rent derived from land (1) not used for agricultural purposes or (2) not paying land revenue or any local rate to Government.

NOTE.—1. Before filling up this return first read the instructions attached.

2. Where there is no income to be returned for assessment against any head in column 1, the word "None" should be entered in column 2.

For employees { Employer's name
Employer's address
Monthly rate of salary
Place of residence
Principal place of business
Other place or places of business
Name or names under which the business is conducted.

Names and addresses of all partners in the case of firms, names and addresses of all adult male members in the case of an undivided Hindu family.

Names and addresses of any persons for whom the assessee is an agent, trustee or executor.

I / We declare that the information given in this return is correct, that the income shown in this return is correct that the income shown in this return is truly stated against each of the sources therein mentioned, that the period in which it accrued was twelve calendar months ending that no other income accrued during that year and that I / We have no other sources of income.

Dated.....19 (Signature.)

Details of the house property referred to in item 6 of the form of return.

District, taluk and village	Particulars of property including name and number of street in which the property stands	Person in whose name the property stands in the municipal, village panchayet or revenue register	Annual letting value	Deductions claimed (to be supported by the production of vouchers in each case)
			Rs. A. P.	

Allowances claimed

(1) Premia paid in the year ending on to insure the property against risk of damage or destruction. (Copies of receipts should be attached.)	
(2) Interest paid by owner on a mortgage or charge on the property.	
(3) Ground-rent paid by the owner on the property	
(4) Land revenue, local rates and municipal taxes paid by the owner on the property.	
(5) Collection charges	
(6) Deductions claimed on account of vacancies	

Dated.....19 (Signature.)

Instructions for the preparation of the return in Form D.

(1) *Submission of return of income.*—The return should be delivered to the Collector as soon as possible. The maximum limit of time allowed is thirty days provided that when any assessee applies on reasonable grounds for an extension of time for submitting his return of income, the Collector shall have power to extend the time limit of thirty days to such further period as he may consider proper in each case.

2. *Previous year.*—The income shown in the return should be that of the calendar, Samvat, Marwari or other year for which the accounts were last made up for the assessee's own purposes provided that such year was a year of twelve full calendar months and that the last day of such year fell within the twelve calendar months ending 30th June 1919. In all other cases it should be that of the year ending 30th June 1919.

3. *Name, Designation, Residence.*—The ordinary designation of the person should be entered in the return. If the person making the return has several places of business the principal place of business should be specified and all other places should be shown in the space provided or if this is not sufficient on a sheet attached. In the case of a person carrying on business under any name or names, other than his own, such other name or names should be entered in the return.

4. *Names of Partners.*—Any person making a return of income which has accrued in partnership with others is bound by section 28 (2) of the Regulation to furnish the names of all his partners and their addresses.

5. The following are liable to assessment to income-tax:—All persons ("person" includes a firm and a Hindu undivided family) resident in Mysore and persons not resident in Mysore who may be deemed to be liable in respect of any class of income, whose income is Rs. 2,400 or upwards.

6. *Salary, wages, etc.*—In column 2 of the return should be shown the total gross income without deduction of the income-tax paid, provident fund, subscriptions or any other such payment. An allowance for house-rent or the value of rent free quarters is assessable to income-tax and should be returned under the above heading. Any portion of the salary paid outside Mysore for services in Mysore must be included in the return.

7. *Dividends and interest on securities.*—In column 2 of the return the gross amount of the dividends or interest should be shown and in column 3 the amount of income-tax deducted at source, if any.

8. *Professional earnings.*—Income under this heading should be computed after making allowance for any expenditure incurred solely for the purposes of the profession provided that no allowance may be made on account of expenditure of the nature of capital or personal expenditure. Full particulars should be given of all deductions made from the gross income.

9. *Interest on mortgages, loans, etc.*—The interest which accrues in the year is often not actually paid in it, but is added to the capital and itself bears interest. In such cases, the interest that accrues or falls due in the year should be included in the income returned under this head.

10. *House property.*—Where house property is entered in the municipal, village panchayet or revenue registers under any name other than the name of the owner, such name or names should be clearly specified in the form provided.

The *bona fide* annual value of a house is the full market value at which that house could be let from year to year irrespective of any charges by way of municipal rates or taxes thereon. It therefore differs from the actual annual rent payable on a long term lease, or the actual rent payable on a yearly lease under a privileged rental or with tenant's liability to pay owner's rates or taxes. The following allowances are admissible:—

(i) Insurance premia, less discount, if any,
(ii) Interest paid to mortgagee,
(iii) Ground-rent,
(iv) Land Revenue, local rates and municipal taxes,
(v) Vacancies (allowances for unoccupied property),
(vi) Collection charges,
(vii) Where the property is in the occupation of the owner, or where it is let to a tenant and the owner has undertaken to bear the cost of repairs, a sum equal to one-sixth of the *bona fide* annual value of the property; where the property is in the occupation of a tenant who has undertaken to bear the cost of repairs, the difference between such value and the rent paid by the tenant up to but not exceeding one-sixth of such value.

In the case of buildings occupied for business purposes, attention is invited to section 9 (2) of the Regulation.

11 *Income from outside Mysore.*—Income from sources outside Mysore which accrues or arises in Mysore including dividends, pensions and income from agricultural land not paying land revenue to the Mysore Government is liable to assessment and should be entered in the return under head No. 7.

12 *Business, Trade, Commerce, etc.*—In computing the income returnable no deduction may be made for any of the following:—

Interest on capital of the owner or owners;
Payments on drawing on account of personal expenditure;
Bad debts not actually written off;
Amounts set off out of the profits of the year on account of ascertained losses of previous years;
Payment made to form an insurance fund against future losses;
Payment on account of income-tax or profession-tax;
Sums expended on charity or presents;
Sums given by way of commission not in the regular course of business;
Sums paid for the purchase of a good will or other similar expenditure of a capital nature.
Expenditure not incurred in the regular course of business.

(13) *Life Insurance.*—The allowance extends to sums paid to any provident fund to which the Provident Funds Regulation, 1916, applies. These should not be deducted from any income shown in column 2 but should be entered in the space provided.

For the purpose of obtaining relief on account of any such payments the original receipts or copies thereof must be submitted in accordance with rule 7.

(14) *Income taxed at the source.*—In computing the income taxable under section 14, the Collector will make the necessary allowance for any income which has already paid tax at the source.

(15) *Correspondence and petitions.*—Petitions against the assessments made should be addressed to the Commissioner of Income-tax, that is to the

Every petition must be in the prescribed form and should ordinarily be presented within thirty days of the receipt of the notice of assessment and should bear a court fee stamp of Rs.

All correspondence relating to income-tax matters (excepting such as may relate to petitions presented to the Commissioner) should be addressed to the Collector of Income-tax.

FORM E.

(*Rule 17.*)

Notice under section 18, sub-section (2) of Regulation 1920.

No.

Date

To

With a view to testing the correctness of the return furnished by you under section 17 of Regulation of 1920 for the year ending

I hereby require you to attend either in person or by representative and produce or cause to be produced for examination at my office at at on all accounts, documents (including vouchers, invoices and receipts) and other evidence necessary to prove the extent of your income from all sources during the year to which the return relates. Wilful failure to comply with this notice will entail forfeiture of the right of objection to the assessment under section 21 of the Regulation and will render you liable to prosecution under section 39, sub-section (d) of the Regulation.

Collector.

NOTE.—In the case of money lending, the capital account, ledger, day book and all connected original documents must be produced.

(2) For trades and manufactures, the stock book, ledger and day book must be produced, together with all vouchers, receipts and invoices, necessary to prove the entries.

(3) In the case of businesses working through agencies which change hands periodically, all old agency accounts must be produced unless the Collector is satisfied that they have been completely closed and are no longer required.

(4) Assessees who own a number of different businesses, branches or agencies are expected to produce head-quarter accounts in which the results of their working are co-ordinated.

(5) For all accounts, any previous book from which entries have been brought forward must be produced.

(6) In all cases the accounts must be accompanied by a statement signed by the assessees giving (*a*) a complete list of the accounts produced and (*b*) the name of the assessee's representative who is authorised to explain the accounts.

FORM F.

(*Rule 18.*)

Notice under section 20 of Regulation of 1920.

No.

Date

To

residing at

Your are hereby required to take notice that you have been assessed / your assessment has been adjusted under the Mysore Income-tax Regulation of 1920 for the year ending according to the particulars specified below and that you would pay the amount of the assessment / balance due on adjustment within sixty days from the date of receipt of this notice.

2. You may, if you so desire pay the amount of the assessment / balance due on adjustment in two equal instalments on the date specified below. In case of default, however, in the payment of the first instalment, the whole amount of the assessment / balance due will immediately become recoverable. If you object to this assessment / adjustment and are not debarred from presenting a petition for relief under section 21 of the Regulation by the failure to make a return under section 17 or to comply substantially with all the terms of a notice served on you under section 18, a petition for relief will lie to the within thirty days of receipt of this notice. If such petition is presented within the time allowed the Collector may in his discretion treat you as not being in default in respect of payment of the tax till orders on the petition have been passed. Failure to pay any instalment will render you liable to pay in addition a penalty of one per cent on the tax due. You are further warned that unless the whole amount due together with the said penalty is paid within twenty days from the date of the notice intimating imposition of the said penalty a further penalty of ten per cent on the tax due will be levied and that in case of persistent default the Regulation provides for the levy of a penalty equivalent to the whole tax.

Particulars.

(1) Source or sources of income.
(a) Salaries paid by Government ... ...
(b) ,, paid by local authorities ... ...
(c) ,, paid by companies, other public bodies and associations. ...
(d) ,, paid by private employers under an agreement with the Collector.
(e) Interest on securities to the Government of India ... ...
(f) Interest on securities to the Government of Mysore ... ...
(g) Interest on debentures and other securities of a local authority or company.
(h) Income derived from house property ... ...
(i) Income derived from business ... ...
(j) Professional earnings ... ...
(k) Salaries noted included in items (a) to (d) ... ...
(l) Other sources ... ...
Total of items (a) to (l) ...
2. Place or places, district or districts, in which the income accrued. ...
3. Amount of total income from all sources. ... ...
4. Amount of income assessable. ... ...
5. Rate of tax. ... ...
6. Amount of tax due. ... ...
7. Amount, if any, credited on account of tax already deducted at the source on income from salaries or from interest on securities under section 15
8. Net amount of tax payable. ... ...
9. Amount of tax due under section 25 ... ...
10. Total amount of tax due [total of items (8) and (9)] ... ...
11. Amount of tax already paid on assessment ... ...
12. Balance of tax payable on adjustment ... ...
13. Penal assessments under section 24 ... ...
14. Other penalties and fines ... ...
15. Total amount due ... ...
16. Amount of first instalment and the date on which it is payable ...
17. Amount of second instalment and the date on which it is payable ...
18. Place where the amount is to be paid ... ...
19. Person to whom the amount is to be paid ... ...

FORM G.

(Rule 19).

FORM OF PETITION.

See Section 21 (1).

To

The Commissioner of

The day of 19

The petition of A. B. of showeth as follows:—

3 H

1. Under Regulation of 1920, your petition has been assessed (on adjustment) in the sum of Rs. for the year commencing the 1st day of July 19 . The notice of assessment was served upon him on

2. Your petitioner's income accruing and arising or received from each of the undermentioned sources for the year ending the day of 19 . amounted to Rs .

3. Such income and profits actually accrued or arose or were received during the period of months and days.

4. During the said year your petitioner had no other income or profits.

5. Your petitioner has made a return of his income to the under section 17, sub-section of the Regulation and has complied with all the terms of the notice served on him by the Collector under section 18.

Your petitioner therefore prays that he may be assessed accordingly (or that he may be declared not to be chargeable under the Regulation).

(Signed)

Form of verification.

I, , the petitioner named in the above petition, do declare that what is stated therein is true to the best of my information and belief.

(Signed)

Statement of Income.

Source of income	Place at which derived	Gross income from all sources	Gross taxable income	Admissible charges	Net income liable to tax

FORM H.

Notice under section 28, sub-section (1) of Regulation of 1920.

(*Rule 21.*)

To

You are hereby required to fill in and to sign and deliver at within days of receipt of this notice a return in the accompanying form (Form B) containing to the best of your belief the name and address of every person employed in your service who is receiving in virtue of such employment any income amounting to Rs. 1,440 or more per annum. You are further requested to state, when submitting the return, whether you will undertake to collect the tax due from the persons included in the return and to forward the amount to me on condition of being allowed a commission of per cent on the amount payable. In the event of your agreeing to this arrangement, you are requested in making the return, to sign an agreement to that effect at the foot of the return.

Collector.

FORM I.

NOTICE.

(*Rule 22.*)

You have not paid the sum of Rs. being the first instalment of income-tax due by you for the year on the due date, *viz.*, in accordance with the notice of order on assessment / your revision petition sent to you on . You are requested to take notice that in consequence of your default the whole amount of the tax has now become due and that in addition a penalty of Rs. has been imposed upon you. You are further warned that unless the whole amount due (Rs.) together with the said penalty is paid within 20 days from the date of this notice, a further penalty of ten times the penalty now imposed will be levied and that in case of persistent default, the Regulation provides for the levy of a penalty equivalent to the whole tax.

Collector.

FORM J.

(Rules 24 and 27.)

Application for refund of tax payable or paid under the Mysore Income-tax Regulation.

I, ——, do hereby state that my income from all sources during the year ending 30th June 19—, as shown below amounted to Rs. ——

2. I accordingly hereby claim a refund of Rs. —— at one anna ——— pies in the rupee on income of Rs. —— from dividends of —— Companies, a refund of Rs. —— on income of Rs. —— from share of profits of firms, a refund of Rs. ——, on income from interest on securities.

3. The counterparts of dividend warrants, an extract of the deed of partnership and certificates for payment of income-tax are herewith attached.

Source	Amount of income Rs.	Remarks.
(NOTE.—Payments received outside Mysore on account of services rendered in Mysore to be declared under head F below).		
Dividends from companies during the year ending 30th June 19 ...		
Share of profits of firms during the year ending 30th June 19 ...		
Interest on securities during the year ending 30th June 19 ...		
(NOTE.—Securities include— (*a*) promissory notes, debentures, stock or other securities of the Government of Mysore and (*b*) debentures or other securities for money issued by or on behalf of a local authority or company)		
Salary, annuity, pension or gratuity received during the year ending 30th June 19 ...		
Income received under the following heads during the year ending 30th June 19 ...		
A. Trade, profession or vocation ...		
B. Interest on mortgages, fixed deposits, current accounts, sums lent to traders and loans to others, club debentures, etc. ...		
C. House property and land (other than agricultural land) ...		
D. Director's fees, survey fees, University and other examination fees, etc....		
E. Income received from outside Mysore including pensions, dividends and income from agricultural land not paying land revenue to the Mysore Government. ...		
F. All other income not specified, *e. g.*, rewards, honoraria, etc. ...		
Grand Total ...		

House property income —Proprietors of houses residing on their own premises are exempted from tax on one-sixth of the rental value of such portion self-occupied : five-sixths of the rental value should be declared as income.

Penalty.—By section 177, Indian Penal Code ( ) it is provided that whoever being legally bound to furnish information on any subject to any public servant, as such, furnishes, as true information which he knows or has reason to believe to be false, shall be punished with simple imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, or with both.

I hereby declare that my income from all sources as stated above includes my share in the joint family income and is the only income that actually accrued to me, and that I had no other income from any other source accruing, arising or received in Mysore during the year in question.

Address in full,

Post office at which payment is desired. (Signed)

(Designation)

Before me Collector of Income-tax / Justice of the Peace / Magistrate

Dated —— 19—

NOTE.—The amount of income-tax paid must not be deducted from the income shown herein. For the purpose of the return income-tax deducted at the source in respect of dividends of companies and interest on securities should be added to the amount actually received by the applicant in order to ascertain the total income to be shown herein.

FORM K.

(RULE 24.)

For the year ending 30*th June* 19

I hereby state that the following are the details of the Securities* held by me:—

Description of Securities	Number	Date	Amou

Dated this the day of 19

(Signed)

*NOTE.—Securities include—

(*a*) Promissory notes, debentures, stock or other Securities of the Government of Mys and

(*b*) Debentures or other Securities for money issued by or on behalf of a local authority company.

FORM L.

(RULE 25.)

For the year ending 30*th June* 19

I, , Collector of Income-tax, do hereby certify that the income of the owner of the Securities specified below is liable to taxation at 12 pies in rupee in respect of such Securities* but his income from all sources including the inte on such Securities being more than Rs. and less than Rs. , he is entitle a refund calculated at the rate of pies in the rupee:—

Description of Securities	Number	Date	Amo

Dated this the day of 19

Collector of Income-tax.

*NOTE.—Securities include—

(*a*) Promissory notes, debentures, stock or other Securities of the Government of My and

(*b*) Debentures or other Securities for money issued by or on behalf of a local authori company.

FORM M.

(RULE 29.)

I. , Collector of Income-tax, do hereby certify that the income fro sources of amounts to Rs. for the year ending 30th June 19

Collector of Income-tax

FORM N.

(RULE 34.)

Agreement for composition.

Agreement for composition under Regulation of 1920 between the Collector of and hereinafter called the "compounding party."

It is hereby agreed.

1. That for each and every year for a period of years from the first day of July the income of the compounding party on which the tax will be assessed excluding

1. That the tax on the amount of such composition amounting to Rs. shall be without deduction on the day of in each year of the said period by the compounding party to the Collector at his office.

3. That if default be made in payment of the said tax or any instalment of the same ie date fixed for payment thereof, such amount shall be recoverable in the same manner by the same means as any other assessment made under the Regulation.

4. If the compounding party dies or becomes bankrupt or insolvent, or if a firm, goes liquidation or voluntarily closes his business before the expiration of the said period of years, this agreement shall determine on the 30th day of June next after such , bankruptcy, insolvency or other proceeding, save and except as to any portion of the n the income compounded which before the said day shall have been payable and shall be unpaid.

5. If the agreement is shown to the satisfaction of the Collector to have been obtained raud on the part of the compounding party in stating his income or otherwise, it shall oid and of no effect, and the Collector shall proceed to assess income-tax upon him in rdance with law.

In witness whereof, the Collector hath signed one part of this agreement and the compounding party hath signed or affixed his seal and duly executed the other part thereof this day of 19 .

Witnesses to the signature of the Collector

Witnesses to the signature of

FORM O.

(RULE 35.)

Receipt under Section 45 of Regulation of 1920.

Received from the sum of Rs.

g the amount of the (first or second) instalment of income-tax $\frac{\text{assessed}}{\text{adjusted}}$ on under

ulation.....of 1920 for the year commencing the 1st day of July and penalty ny) Rs. or Rs. in all,

Collector.

APPENDIX I.

MEMORANDUM OF ADDITIONAL INSTRUCTIONS FOR AUDITORS FOR THE PREPARATION OF RETURNS OF INCOME FOR INCOME-TAX PURPOSES.

The return of income shall contain a true and complete statement of income from all rces liable to taxation whether already taxed at the source, as in the case of Government hrities, or not, and shall show the aggregate income received during the previous year n each source.

If the assessee's accounts have been made up in the previous official year for a full year, return of income shall be for the year ending on the date to which the accounts were de up. If otherwise, it shall be for the year ending 30th June. The exact period for ch the accounts were made up must be stated.

2. The return of income should, when possible, exhibit the result of working for a plete period of twelve calendar months, and should be accompanied by a copy of the ssee's last profit and loss account as well as by information regarding the capital employed he business.

3. A certificate must be appended to the audited return of income that proper books of unts have been kept on a recognized system in English or one of the vernaculars of the e and properly closed and balanced from year to year and that the return made is in accance both with the books and with the requirements of the Income-tax Regulation and In explanation of this certificate there should be added a clear description of the re of the books kept by the assessee.

4. Where an assessee's business extends over several places, a list of the several places ich the business is carried on together with information regarding the relations of the sses with one another and the nature of the business carried on in each place should be

5. If it is claimed that different businesses or branches in which an assesse is interested ssessable separately and not as part of the main concern, the grounds of the claim should

5. In every case of a firm with several branches the production of a general or head-quarter account must be insisted upon by the auditor and all adjustments between branches must be examined and a clear statement of such adjustments submitted to the Collector.

6. In cases in which trading stocks or stocks of consumable stores or working materials are carried over from year to year the nature of the accounts kept of stocks or stores, the manner of the verification of the same and the methods adopted in the valuation of the opening and closing balances must be stated. The prices of articles of merchandize shown in the assessee's books should be checked in as many cases as possible with the invoices or bills under which they were bought.

7. In the case of money-lenders it should be noted that what is taxable is the income accruing, arising, or received. Interest which accrues in the year is often not actually paid in it but is added to the capital and itself bears interest. It is also found that payments of capital and interest are often not distinguished in the accounts. In such cases the only fair way to assess the income of a particular year, is to assess the income that accrues or falls due in it.

8. It is also a common practice for a trader preparing goods for sale and selling both his own and those of others to charge a commission on all sales and to show as his income from goods prepared by himself only the commission charged. In such cases the production of the accounts of the assessee's mill, tannery or other place where the goods were prepared must be insisted upon and except in cases where, for the reasons mentioned in paragraph 4 *supra*, the business at the place of sale can be regarded as distinct from that at the place of manufacture, the income of the assessee from the manufacture and sale of the goods prepared in his mill, tannery, etc., must be ascertained from the accounts kept at the place of manufacture and sale and exhibited in the profit and loss statement separately from the commission received on sale of goods received from other people. The sale proceeds of the goods prepared at the assessee's mill, tannery, etc., and of the goods received from others for sale on commission should also be specified.

9. Full particulars should be given of all deductions made from the gross income. No deduction should be made that is inadmissible under the income-tax rules or in respect of charges that were not incurred in earning the profits returned.

10. When a deduction is claimed on account of interest paid on borrowed capital, the auditor should satisfy himself that the borrowed capital was applied to the purposes of the trade or profession. Vouchers evidencing the payment of interest should be insisted on wherever possible. Charges on account of interest on a trader's own capital must be disallowed.

11. When losses not compensated for by insurance or otherwise are claimed as a set off against profits the accounts must show:—

(*a*) of what the loss consisted,
(*b*) when it was actually sustained and
(*c*) how it was determined to be a loss.

12. In the case of deductions claimed on account of bad debts the auditor must satisfy himself that the debts have been written off in the year and must obtain particulars as to:—

(*a*) of what the debts consisted,
(*b*) when they were created,
(*c*) when they became due,
(*d*) how they were actually determined to be worthless,
(*e*) whether they were included as income in the year of account or in any previous year, and
(*f*) whether they have not been written off to profit and loss before.

Care must be taken to see that a bad debt has been regularly brought forward in the ledger from year to year from the date on which the debt arose and that when once a particular debt has been *bona fide* and upon reasonable grounds written off to profit and loss in one year, no portion of such debt is carried forward so as to be set off against or taken in reduction of the profits of the next or any succeeding year.

13. An auditor may represent an assessee at an enquiry under the Regulation, but an auditor who in so doing took the position of an advocate would be considered guilty of misconduct.

Notification No. G. 27731—*Geol.* 67-19-8, *dated* 19*th June* 1920.

In accordance with the provisions of Section 15 of the Mysore Explosives Regulation, II of 1888, the Government of His Highness the Maharaja are pleased to publish, for general information the following draft of a revised rule, which it is proposed to prescribe in exercise of the powers conferred by Sections 4, 5 and 6 of the said Regulation.

2. The draft will be taken into consideration after the 1st September 1920.

3. Any objections or suggestions which any person may wish to make with respect to the draft shall be submitted in writing before that date to the Chief Inspector of Mines in Mysore, Ooregum and the same will be duly considered by the Government.

In the proviso to condition 2 of License Form E prescribed under the Revised Explosives Rules of 1917 for the possession of gun-powder or other explosives required *bona fide* for blasting purposes, for the words "Provided that 50 lbs. of gunpowder may be kept inside a dwelling-house, etc." read "Provided that 30 lbs. of gunpowder and 10 lbs. of any other explosive and 100 detonators may be kept inside a dwelling-house, etc." The condition referred to above with the proviso as revised will read as follows :—

"2. The explosive shall be kept in a substantially constructed uninflammable building approved by such officer as the Government may prescribe, or in a fireproof safe separated from any dwelling-house, highway, street, public thoroughfare or public place by a distance of 50 yards and made and closed so as to prevent unauthorised persons from having access thereto, and to secure it from danger from without :"

"Provided that 30 lbs. of gunpowder and 10 lbs. of any other explosive and 100 detonators may be kept inside a dwelling-house or in any building other than as last aforesaid in a receptacle exclusively appropriated to keeping explosives."

By Order,

C. S. BALASUNDARAM IYER,

Chief Secretary to Government.